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2 products, does Chamilia offer any other services?

3 A. As -- no.

4 Q. Were you involved in the formation of

5 Chamilia?

6 A. Not real -- yes.

7 Q. And what involvement did you have?

8 A. Investor.

9 Q. By investor, what do you mean?

10 A. I took some personal money, invested it
11 in somebody with a concept and was not involved
12 in the day-to-day operations or management of the
13 company.

14 Q. And with whom did you invest your
15 money?

16 A. There was another gentleman, Dove
17 Schwartz.

18 Q. Could you spell that, please?

19 A. D O F -- D O V E, S C H A R T Z. I'm
20 not sure on the exact spelling of Schwartz. I
21 believe it's the more standardized Schwartz.

22 Q. And how do you know Dove Schwartz?

23 A. Dove was -- I had another business, a
24 kiosk business in the mall that Dove was the
25 manager of. Partner at that also. He more or

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2 less ran this cart for Italian charms carts, and
3 that's how I met him. Because he was the manager
4 operating the Italian charms cart.

5 I met him through somebody else in that
6 business. A friend of a friend. Another
7 gentleman Anthony introduced Dove to me. Or sort
8 of pushed -- pushed Dove on to us to run the
9 cart.

10 Q. When did you first meet Dove Schwartz?

11 A. 2001, 2002. I never really met him. I
12 was -- how I met Dove was through another
13 gentleman I was opening a business with, an
14 Italian charms cart. His name was Anthony
15 Lemongello. We were going into this business
16 50/50.

17 Anthony lived on the West Coast and
18 said I'm going to open this business with you.
19 Just take care of it. I used to live in the
20 area.

21 Push came to shove and we signed the
22 lease for the business and we actually opened up
23 the Italian charms cart. Anthony on the day of
24 opening said "I'm not going to be involved, I
25 want this guy I know, Dove Schwartz, to manage my

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2 position." So Anthony still owned the business
3 with me.

4 And what happened over time, I didn't
5 realize Anthony and Dove had an agreement where
6 Dove was going to just pay back Anthony over
7 time. And so Dove sort of became a partner by
8 default.

9 So at that point, I didn't know Dove.
10 I would have walked away from the business if
11 that ever happened, but we already paid for the
12 lease, paid for the inventory, and Anthony was
13 still backing him up as, you know, his sort of
14 manager of the business.

15 Q. What business did you and Anthony
16 Lemongello enter into 50/50?

17 A. Italian charms cart. It was called
18 Mazel Group.

19 Q. What's an Italian charm?

20 A. Italian charm is another jewelry
21 product in the market. It's a modular
22 interchangeable beauty product.

23 Q. What do you mean by modular?

24 A. Square in shape. It almost looks like
25 the old Seiko watch band where it stretches.

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2 Q. Do Italian charms also consist of
3 beads?

4 A. No.

5 Q. So in the summer of 2003, your only
6 involvement with the formation of Chamilia, LLC
7 was as an investor?

8 A. Pretty much.

9 Q. And when did you first become involved
10 with Chamilia?

11 A. In the fall of 2003.

12 Q. And how did you become involved?

13 A. I had a decision to invest more money
14 into the company or walk away from the
15 investment.

16 Q. Other than investing money in the fall
17 of 2003, did you perform any activities on behalf
18 of the company?

19 A. Very little. Little bit. But I wasn't
20 there. The offices -- I found out through Dove,
21 he was running the office out of his house. That
22 was the Rego Park address. He always said he was
23 going to open up an office and never did. He
24 used to always tell me one thing and did
25 something else.

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2 record at 11:22 a.m. This begins tape 2 of

3 the deposition of Jeff Julkowski.

4 BY MS. SHORT:

5 Q. Who is the designer of Chamilia jewelry

6 products?

7 A. Killian Rieder.

8 Q. How did she come to be the designer of

9 Chamilia jewelry products?

10 A. We sought out somebody with design

11 experience. She went to FIT and design school.

12 Q. When you reference we, who do you refer

13 to?

14 A. The investors, Troy and Mary.

15 Q. When did you conduct this seeking?

16 A. Killian became the designer in the fall

17 of 2003.

18 Q. Who designed the beads that were first

19 manufactured in the summer of 2003?

20 A. I wasn't involved with that. That was

21 back when Dove was operating the company.

22 Q. To your knowledge, who was the designer

23 of the Chamilia jewelry products in summer of

24 2003?

25 A. Dove Schwartz.

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2 Q. Dove Schwartz designed the chains used
3 in connection with the sale of jewelry products
4 in summer of 2003?

5 A. He was involved with all the product at
6 that point.

7 Q. Was is the designer of the product at
8 that time?

9 A. Yes. I don't know. I wasn't part of
10 it -- he was the designer or not. He was
11 responsible for it. So designer is a loose term
12 at that point.

13 Q. Who was the designer of the beads in
14 the summer of 2003?

15 A. I wasn't involved. I wasn't part of
16 actually making the beads at that point.

17 Q. Who was the designer of the beads in
18 summer of 2003?

19 A. I don't recall.

20 Q. Did you ever recall? Did you ever
21 know?

22 A. No.

23 Q. Did you ever ask Dove Schwartz who was
24 the designer of the beads that were manufactured
25 in the summer of 2003?

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2 A. Anything Dove said at that point I
3 didn't trust him for anything. I wasn't involved
4 with what was going on.

5 Q. Did you ask Dove Schwartz who the
6 designer of the beads were in summer of 2003?

7 A. No.

8 Q. Did Dove Schwartz ever tell you who the
9 designer of the beads was in summer 2003?

10 A. No.

11 Q. Prior to investing in the company in
12 the summer of 2003, what involvement did you have
13 in the design of the Chamilia jewelry products,
14 if any?

15 A. None.

16 Q. Prior to investing in Chamilia in the
17 summer of 2003, did you have any input in what
18 product was sold?

19 A. Not really, no.

20 Q. Prior to the manufacture of the beads
21 in summer of 2003, did you see the beads before
22 they were manufactured?

23 A. Right at the time they were starting to
24 sell them, I saw physical product, yes.

25 Q. When was that?

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2 A. Fall of 2003.

3 Q. Do you know what month?

4 A. No.

5 Q. Prior to the beads manufactured, did

6 you see the design concept for the beads?

7 A. I was told -- we were selling Italian

8 charms at the cart -- Dove's talk was he was

9 coming out with a new charm, new charm product.

10 Q. Okay. Keep going. So did you see the

11 concepts?

12 A. No.

13 Q. Before they were manufactured?

14 A. Right after the time we more or less

15 saw the physical product. This is what I was

16 shown and this is what the product was. He had

17 samples at that point.

18 Q. Prior to investing in the company, did

19 you see the product?

20 A. It was more after the investment. He

21 did everything on his own up to needing money to

22 purchase inventory.

23 Q. What did you understand the concept to

24 be before you invested in the summer of 2003?

25 A. A new charm for the cart.

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2 Q. And what type of charm did you

3 understand that to be?

4 A. A charm, round charm, a bead charm.

5 Q. Was it described to you what type of

6 charms this would be?

7 A. No.

8 Q. And the beads would be entirely round?

9 A. There were different ones. We were

10 selling flat beads at that time. Flat charms.

11 Some of those were, even though they were square,

12 some are round. They came in different shapes.

13 Q. What shapes did them come in?

14 A. Stars, triangles, hearts, diamonds,

15 love bugs, Hershey Kisses.

16 Q. Did they come in characters?

17 A. Yes.

18 Q. What type of characters?

19 A. SpongeBob Squarepants, Pepsi Cola can,

20 cars, sports teams, footballs.

21 Q. And these beads as you're describing

22 them are the beads --

23 A. I was describing the charms.

24 Q. Are they the Italian charms that you

25 were describing?

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2 actually purchase the beads from the

3 manufacturer.

4 The way manufacturing works, you

5 receive a sample. They'll make pieces for you,

6 you receive a sample. Then you can purchase it

7 or say no to it.

8 Q. Prior to investing in the company, did

9 you see a sample of the beads to be sold by

10 Chamilia?

11 A. No.

12 Q. Did you see a sample of the product

13 line to be sold by Chamilia?

14 A. No.

15 Q. What information did you --

16 A. I wasn't involved.

17 Q. What information did you have about the

18 company prior to investing in it?

19 A. There wasn't any real company at that

20 point. It was just running it from a cart. Dove

21 was going to make a new charm line.

22 Q. Prior to investing in the new venture,

23 what information did you have?

24 A. None. It was product he was going to

25 sell on the cart.

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2 Q. Have you ever visited the manufacturing
3 plant?

4 A. Yes.

5 Q. How many times?

6 A. Once, twice. Twice.

7 Q. When was the first time?

8 A. Fall of 2004 -- I'm sorry, 2003.

9 Q. Do you remember what month of 2003?

10 A. No.

11 Q. What was your reason for visiting the
12 manufacturing plant?

13 A. To figure out what was going on.

14 Q. What was going on with what?

15 A. The -- there was a tragic thing that
16 happened between two companies. It's an
17 unfortunate thing that happened. I wasn't
18 involved with what was going on. And I had to
19 learn very quickly.

20 Once it came to the point of deciding
21 if I needed to invest more money in this company
22 or to just wash the investment away. I was
23 told -- I went to the factory to see what they
24 were told to figure out what was happening. And
25 how they are making this product.

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2 two companies that has been settled and
3 judgment has been entered. The fact that
4 there was a lawsuit may be relevant to the
5 case, but this level of detail is not.

6 MS. SHORT: There's an open question I
7 believe to the witness. Can you read it,
8 please.

9 (Record read)

10 A. That Peter, who's the broker, was the
11 one who contacted the manufacturer to get the
12 samples made.

13 Q. The samples of what?

14 A. The samples that I saw, and that's
15 where we purchased those samples.

16 Q. Other than to view the samples being
17 manufactured at the plant, did you have any other
18 reason for visiting?

19 A. Just to establish what was going on.
20 The relationships.

21 Q. The relationships between?

22 A. Dubbie, the broker --

23 Q. Between, I'm sorry?

24 A. Dove. Dove. He went by the nickname
25 Dubbie.

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2 A. Thread.

3 Q. A thread?

4 A. A thread.

5 Q. When is the second time you visited the
6 manufacturing plant?

7 A. I don't recall. Probably the summer of
8 '04.

9 Q. What was the reason for your visit?

10 A. I was becoming more involved with the
11 business -- well, I was very involved in the
12 business at that time. And just building a
13 relationship with people across the world that
14 are manufacturing product for us.

15 Q. When Dove Schwartz left Chamilia, did
16 you pay him to leave?

17 A. No. He -- no.

18 Q. Did you refund Dove Schwartz the
19 investment he made in Chamilia?

20 A. He had no investment in the company.

21 Q. At the company's inception in summer of
22 2003, who owned it?

23 A. Primarily myself.

24 Q. And who else?

25 A. Mary Rieder -- no, she didn't have any

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2 money in there. No, it was just myself.

3 Q. You were the sole owner of Chamilia,

4 LLC?

5 A. Yes.

6 Q. Anthony Lemongello didn't own any part

7 of the company?

8 A. No.

9 Q. Despite being your partner, as you've

10 described, he didn't own any part of the company?

11 A. Of Chamilia?

12 Q. Um-hum.

13 A. No.

14 Q. As owner of Chamilia in the summer of

15 2003, did anyone report to you?

16 A. Dove.

17 Q. When was the first sale of Chamilia

18 jewelry products?

19 A. Had to be September '03.

20 Q. To whom was the first product sold?

21 A. I was not aware. I -- whoever -- Dove

22 was running the operation out of his apartment in

23 Rego Park. I wasn't even around at that time.

24 Q. Where was the first product shipped?

25 A. To Rego Park.

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2 Q. What location was the retail customer
3 that received the first shipment of Chamilia
4 jewelry products?

5 A. I do not know.

6 Q. Since it's inception in summer of 2003,
7 has there been a break in the manufacture of
8 Chamilia jewelry products?

9 A. Define break.

10 Q. Have you ever stopped the manufacture
11 at any time?

12 A. Yes.

13 Q. When was that?

14 A. I'm sorry, the manufacturing never
15 stopped.

16 Q. Okay. Then what did you mean in
17 response to my question?

18 A. There was -- it stopped -- they stop
19 periodically for holidays. Working with Thai
20 people they take off when they work when they
21 want to. So there was those breaks that we
22 didn't plan for.

23 Q. Has there ever been a break in the
24 distribution of Chamilia jewelry products?

25 A. Yes.

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2 Q. When was that?

3 A. Fall of 2003.

4 Q. What was the reason?

5 A. Changing over the line, changing

6 designs of the line.

7 Q. You changed the designs of the line in

8 fall of '03?

9 A. Correct.

10 Q. What was the reason for that change?

11 A. The -- at that point, again, we

12 received contact from Pandora and learned that

13 there were similarities in designs and we stopped

14 producing those products.

15 Q. When were you contacted by Pandora?

16 A. Somebody knocked on my door and handed

17 me a piece of paper one Friday afternoon.

18 Q. And when was that?

19 A. I have to go back and check.

20 Q. Was it the fall of 2003?

21 A. Yes, September, October.

22 Q. Was it the summer of 2003?

23 A. September, October.

24 Q. Who knocked on your door?

25 A. Some gentleman who brought me a paper

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2 that looks similar to the one in front of me, a
3 legal paper.

4 Q. What was that paper?

5 A. United States -- it was a lawsuit.

6 Q. You were served with a lawsuit?

7 A. Yes.

8 MS. SHORT: I'd like the court reporter
9 to mark as Pandora Exhibit 7.

10 (Cease and desist demand marked Pandora
11 Exhibit 7 for identification)

12 Q. Mr. Julkowski, will you please review
13 what's been marked as Pandora Exhibit 7.

14 A. Yes.

15 Q. Let me know when you finished reviewing
16 it.

17 A. Okay.

18 Q. Yes?

19 A. Yes.

20 Q. Do you recognize this document?

21 A. Yes.

22 Q. What do you recognize it to be?

23 A. A letter that Dove showed me.

24 Q. When did you first see this letter?

25 A. I don't recall.

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2 Q. When did Dove show you the letter?

3 A. I don't recall. Probably pretty close

4 to the date it was written.

5 Q. And where were you when he showed it to

6 you?

7 A. At home.

8 Q. In New York?

9 A. Yes.

10 Q. What do you understand this document to

11 be?

12 A. A -- it says, reading the title, Cease

13 and Desist Demand. Our client's Pandora -- just

14 reading the title, our client's property, Pandora

15 necklaces and bracelets.

16 Q. What do you understand this document to

17 be?

18 A. That's the time that we started hiring

19 an attorney to find out.

20 Q. What is your understanding?

21 A. It's a legal document. I read it over.

22 I don't understand it fully. But, you know,

23 cease and desist selling the product.

24 Q. And what product is that?

25 A. The ones that Chamilia at that time --

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2 Q. What product was Chamilia selling at
3 that time?

4 A. The beads that Dove made.

5 Q. And what beads were those?

6 A. The beads that he made.

7 Q. The beads that Chamilia made, isn't
8 that right?

9 A. Correct.

10 Q. What beads were those?

11 A. Round beads.

12 Q. Can you describe the beads, other than
13 being round?

14 A. Round, some were square, some were
15 triangles, some were -- charms, charm beads.

16 Q. What other shapes did those beads take?

17 A. The shapes -- there was many shapes.

18 You know, like at Nominations they had beads out,
19 square beads, round beads, that would work on

20 leather straps. So it was more or less beads

21 that were in different shapes, to go onto some

22 sort of bracelet, necklace, anklet, or anything

23 that would hold -- you know, that would slip

24 through a hole.

25 Q. Other than the beads as you've just

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2 described, by this letter, is Pandora referring
3 to any other component of the Chamilia jewelry
4 products as sold at that time?

5 A. I'm sorry.

6 Q. Other than the beads as you described
7 as Pandora by this letter requesting any other --

8 (Discussion off the record)

9 MR. GOGGIN: Objection. Foundation.

10 You haven't established that this witness
11 knows what Pandora's intentions were.

12 Q. Okay. You can answer the question.

13 A. What's the question?

14 MS. SHORT: Court reporter, do you want
15 to read the question back again. The
16 witness still doesn't know what the question
17 is.

18 A. We didn't have -- there was the
19 product. There was nothing -- it's the beads.

20 And that's what I believe this letter was

21 referring to. That's all the product that
22 Chamilia had. Beads, bracelets, necklaces,
23 alphabet series, and different --

24 Q. So in addition to the beads, Chamilia
25 sold chains and bracelets and necklaces at that

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2 time?

3 A. Yes.

4 Q. And was Pandora objecting to Chamilia's

5 sale of necklaces and bracelets being sold at

6 that time?

7 A. I'm not sure what Pandora was referring

8 to. I took the letter, sent it to -- hired --

9 sent it to our attorney, and he checked and

10 that's when we hired an attorney to get involved.

11 Because it is -- it says they have a patent in

12 here. So we were checking for the patent.

13 Q. Did you respond to this letter?

14 A. I'd have to ask our legal counsel at

15 that time.

16 Q. Did you personally respond to this

17 letter?

18 A. I responded to our counsel.

19 Q. Did you personally respond to this

20 letter?

21 A. I personally responded to the counsel

22 to take care of what needed to happen.

23 Q. Did you write a written response to

24 this letter?

25 A. I don't recall. I mean, I may have

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2 (Final Judgment on Consent marked

3 Pandora Exhibit 8 for identification)

4 Q. Did there come a time when Pandora

5 filed a complaint against Chamilia?

6 A. Yes.

7 Q. And when was that?

8 A. Fall of 2003.

9 Q. Was it September 25, 2003, do you know?

10 A. I do not recall. It's in that area,

11 yes.

12 Q. What was the subject of the complaint

13 filed by Pandora?

14 A. That we violated trade laws or

15 copyrights, patents and trademarks.

16 MR. GOGGIN: I'm going to object to the

17 question to the extent it calls for a legal

18 conclusion. I also object to the question.

19 You haven't shown him the complaint. And

20 the complaint speaks for itself.

21 Q. What is your understanding of the

22 purpose of filing a complaint in court?

23 A. Two companies have a disagreement.

24 Q. About anything?

25 A. Anything.

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2 Q. And what did Pandora have a
3 disagreement about with Chamilia in September of
4 2003?

5 A. The complaint was they believed that
6 Chamilia violated -- Pandora believed that
7 Chamilia violated their patent and trademark
8 rights.

9 Q. Anything else?

10 A. Intellectual property patent, trademark
11 and copyrights.

12 Q. What else do you know about Pandora's
13 claims against Chamilia in that complaint?

14 A. I didn't review the whole claim. It's
15 not in front of me. I remember the companies had
16 disagreements. And they were settled relatively
17 quickly. What you put in front of me is the
18 final judgment and agreement that both companies
19 settled and moved on.

20 Q. At the time the complaint was filed,
21 what did you understand Pandora's claims to be?

22 A. Pandora's claims were they had a patent
23 and Chamilia was violating their patent and --
24 violating their patent.

25 Q. And that's it?

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2 A. That's what patents, copyrights and
3 trademarks.

4 Q. Did you understand that Pandora was
5 claiming that Chamilia was violating their
6 copyrights in their jewelry designs?

7 A. It was part of the complaint, correct.
8 They said that we were violating their patents,
9 trademarks and copyrights, correct.

10 Q. And what copyrights was Pandora
11 claiming that Chamilia copied?

12 A. What copyrights Pandora had.

13 Q. Which were those?

14 A. I don't know. I know what ours are.
15 I'm not sure what Pandora's copyrights are.

16 Q. What copyrights were the subject of the
17 lawsuit brought by Pandora against Chamilia?

18 A. I would assume that it would be
19 Pandora's copyrights of what they had copyrights
20 on.

21 Q. Do you know?

22 A. I don't know what Pandora's copyrights
23 are.

24 Q. You didn't know at the time of the
25 complaint what the copyrights were that were the

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2 subject of the action?

3 A. From this it was --

4 Q. From your memory.

5 A. From my memory it was a claim that we
6 violated their trademarks, copyrights and
7 patents. To do this settlement was all part of
8 what we -- the company came to an agreement on.
9 I'm not exactly sure what everything happened,
10 but we just came to an agreement on that
11 disagreement.

12 Q. What do you understand Pandora's
13 copyrights to be at the time they filed the
14 complaint?

15 MR. GOGGIN: He said he didn't know.

16 Asked and answered.

17 A. I don't know. I wasn't aware to who
18 Pandora was until I received the lawsuits.

19 Q. What beads were Chamilia selling at the
20 time Pandora brought the lawsuit in September
21 2003?

22 A. Different beads. The collection is
23 always growing and changing. I'm not sure what
24 was in the collection at that time.

25 Q. What system was Chamilia using to

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2 fasten beads onto their chains at that time?

3 A. System was a thread.

4 Q. Is that the same system they use today?

5 A. No.

6 Q. As a result of the lawsuit, was

7 Chamilia required to change that system attaching

8 beads?

9 MR. GOGGIN: Objection to the extent

10 the witness can answer this question. This

11 question calls -- the settlement was

12 negotiated by counsel.

13 Q. You can answer the question.

14 A. I don't think Pandora made us do

15 anything. We agreed to stop producing beads.

16 Q. As a result of the lawsuit, did

17 Chamilia change the system by which they fastened

18 beads onto their bracelet?

19 A. Around that time the system was

20 different.

21 Q. Was that as a result of the lawsuit?

22 A. No, design considerations and customer

23 input.

24 Q. Did a court order you to change the

25 system of attaching beads onto your chains?

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2 A. I don't recall the court saying -- I

3 never went to the court. So I don't know.

4 Q. But you don't recall that?

5 A. I don't recall.

6 Q. The Chamilia chains still utilize a

7 thread mechanism on their chains, right?

8 A. I'm sorry.

9 Q. They still utilize a thread mechanism?

10 A. There's a thread at the front of it.

11 Q. At any time was Chamilia ordered to

12 restrain from selling it's jewelry products?

13 A. Yes.

14 Q. And when was that?

15 A. Right around this exact same time that

16 the lawsuit came.

17 Q. Why were they required to do that?

18 A. Our attorney said stop selling it. I'm

19 not exactly sure what got us to that point. He

20 said stop selling it. He said take my word on

21 this, don't do it.

22 Q. Was a court order issued requiring

23 Chamilia to cease the sale of its jewelry

24 products?

25 A. Yes.

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2 Q. And which jewelry products was Chamilia
3 required to cease the sale of?

4 A. It was, I believe looking back from
5 that, I was given a list that was included in the
6 lawsuit. There's a list of item numbers.

7 Q. Was that the entire line of jewelry
8 products?

9 A. No.

10 Q. What was excluded?

11 A. Some different pieces. I'm not exactly
12 sure what was or wasn't included. I remember
13 just mathematically counting one time. It was
14 not 100 percent.

15 Q. Was it 95 percent?

16 A. I have no idea.

17 Q. Was it 90 percent?

18 A. I have no idea.

19 Q. Was it over half?

20 MR. GOGGIN: He says he has no idea.

21 Q. Was it over half?

22 A. I have no idea. It was a portion. I
23 don't know what the percentage was.

24 Q. You remember physically counting the
25 beads?

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2 A. I didn't count the beads physically. I
3 saw -- I counted on a piece of paper that how
4 many pieces are in a collection, how many pieces
5 we were told to stop selling. But not the same
6 number.

7 Q. Did you communicate with your customers
8 at any time that you were required to cease the
9 sale of your jewelry products?

10 A. We did and Pandora did, yes.

11 Q. Who did you communicate that to?

12 A. Customers.

13 Q. Yes, which ones?

14 A. Customers, whoever probably at that
15 time -- I don't know the customers. Looking back
16 what we would have to probably -- obviously do is
17 contact the customers about the product.

18 Q. How many customers was that?

19 A. I don't recall. 60, 70, 50. You know,
20 it could have been a hundred. I wasn't involved
21 with the shipping packages.

22 Q. Were you involved in maintaining the
23 customer list?

24 A. It was -- not maintaining it, no. I
25 had access to it in the system, in the

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2 QuickBooks.

3 Q. So in the fall of 2003, how many

4 customers did Chamilia have?

5 A. Fall of -- what month? I have no idea.

6 Q. September.

7 A. I'm not exactly sure. I know at that

8 time part of this document was providing all that

9 information to Pandora. So they had 100 percent

10 of the customer list at that time.

11 Q. So approximately how many customers did

12 Chamilia have in September of 2003?

13 A. 40 to 100. No idea. It's just a

14 guess. It's a hundred percent guess.

15 Q. How many customers did Chamilia have in

16 August of 2003?

17 A. Fractions of that, probably ten, 15

18 customers.

19 Q. How many customers did Chamilia have in

20 July of 2003?

21 A. I'm sorry.

22 Q. How many customers?

23 A. In July of 2003?

24 Q. Um-hum.

25 A. July of 2003, zero probably.

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2 Q. Did you personally communicate with
3 customers that you were ordered -- Chamilia was
4 ordered to cease the sale of its jewelry
5 products?

6 A. Yes.

7 Q. And who did you communicate to?

8 A. Customers.

9 Q. Do you have any specific names?

10 A. No. I mean, whoever the customers were
11 at that time.

12 Q. What exactly was Chamilia restrained
13 from doing as a result of the restraining order?

14 A. Selling the product.

15 Q. Which product was that?

16 A. The product that had we had at the
17 time, beads, bracelets, necklaces.

18 Q. Can you describe the necklaces?

19 MR. GOGGIN: Objection. Asked and
20 answered.

21 A. Silver necklace.

22 Q. Who designed the jewelry beads sold by
23 Chamilia at that time the restraining order was
24 issued?

25 MR. GOGGIN: Objection. Asked and

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2 answered. You went through this with Dove
3 earlier on the record.

4 MS. SHORT: We've never even touched on
5 that question before.

6 MR. GOGGIN: Yes, you have.
7 Definitely.

8 A. You asked --

9 Q. Who designed the jewelry beads sold by
10 Chamilia at the time the temporary order was
11 issued?

12 A. Dove --

13 Q. Temporary restraining order?

14 A. Dove was.

15 Q. Did you contact your sales
16 representatives to inform them that you were
17 ordered to cease the sale of your jewelry
18 products?

19 A. Yes.

20 Q. And who were your sales reps at the
21 time?

22 A. I'd have to go back and recall -- I
23 don't recall at that time who were sales reps.
24 At that time it was very limited of the number of
25 sales reps we had. And after that time, I don't

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2 recall who they exactly were.

3 Q. How many did you have?

4 A. I believe -- I don't know how many
5 sales reps we had. I believe there's one sales
6 rep company at that time.

7 Q. And who was that?

8 A. Whirlow & Associates.

9 Q. What did you communicate to them about
10 the order restraining you from the sale of your
11 jewelry products?

12 A. They received the same document too,
13 so...

14 Q. Go ahead. I'm sorry.

15 A. Pandora sent I believe Whirlow &
16 Associates the same document. And it is to stop
17 selling product also.

18 Q. What did you tell Whirlow & Associates
19 about the order requiring you to cease the sale
20 of your jewelry products?

21 A. I didn't know exactly what it meant.
22 As we were speaking with our counsel, the
23 recommendation was to stop selling it. We just
24 took our counsel's advice and told or asked
25 everyone to stop selling it.

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2 Q. What did you understand the reason for
3 your requirement, your order to stop selling the
4 product?

5 A. Because the document -- the attorneys
6 told us to stop selling the product.

7 Q. But did you have an understanding as to
8 why?

9 MR. GOGGIN: Any understanding he had
10 would come from his counsel. And I'm going
11 to object to this question and tell him not
12 to answer it.

13 Q. Did your sales reps, which was Whirlow
14 & Associates at the time, ask you why you were
15 required to cease the sale of your products?

16 A. They had the same documents as us,
17 correct.

18 Q. Right. So did they ask you?

19 A. We recommended not -- that they didn't
20 sell it.

21 Q. Did you order them not to sell it?

22 A. We told them not to sell it.

23 Q. You told them?

24 A. Yes.

25 Q. What did you communicate to them about

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2 the lawsuit?

3 A. What it said and what the attorneys

4 told us to say.

5 Q. What did you understand the lawsuit to

6 be about that you communicated to the sales

7 associates?

8 A. That we were told not to sell our

9 products, to stop selling the product. People

10 started shipping product back to us.

11 Q. Who started shipping product back to

12 you?

13 A. Customers.

14 Q. Which customers were those?

15 A. Whoever the customers were at that

16 time.

17 Q. How did customers know to ship the

18 product back to you?

19 A. They would stop selling it. If they

20 can't use product, they sent it back to us

21 automatically.

22 Q. How did they know that they were not

23 allowed to sell the product anymore?

24 A. Because we asked them not to or told

25 them not to sell it. And Pandora sent them

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2 letters.

3 Q. Have you seen copies of letters that

4 Pandora sent your customers in fall of 2003?

5 A. Yes, customers faxed them to us all the

6 time.

7 Q. Do you still maintain those?

8 A. I don't have -- I don't know where they

9 are personally. They are in the file I would

10 think.

11 Q. In your office?

12 A. I don't know where they are now. We

13 moved offices.

14 Q. But they're in a file somewhere?

15 A. Yes. I mean, all the documents were

16 part of the lawsuit.

17 Q. That's maintained by Chamilia, those

18 files?

19 MR. GOGGIN: Or its counsel.

20 A. Counsel. We moved firms, so they had a

21 lot of the documents.

22 Q. Did you take any steps to ensure that

23 the jewelry beads and jewelry products being sold

24 by Chamilia that were the subject of the

25 restraining order were not sold by retailers?

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2 A. I'm sorry.

3 Q. Did you take any steps --

4 A. Called customers and told them not to
5 sell it, or told the sales reps not to sell it.

6 Q. Other than that?

7 A. Letters maybe. I don't recall exact
8 steps.

9 Q. What did you do with the returned
10 merchandise?

11 A. When merchandise came back, it was part
12 of the settlement, we sent it all back to the
13 factory and melted it.

14 Q. Who is we?

15 A. Well, the company I mean.

16 Q. I ask you to review Pandora Exhibit 8.
17 Have you had a chance to review that?

18 MR. GOGGIN: No, he hasn't read it.

19 Q. Can you review it now, please.

20 MR. GOGGIN: You want him to read the
21 whole thing?

22 MS. SHORT: Just so he has an
23 understand so I can question him about it,
24 sure.

25 MR. GOGGIN: Read it.

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2 A. No.

3 Q. Other than Killian Rieder, who designs

4 Chamilia jewelry products?

5 A. I'm not exactly sure.

6 Q. Are there other designers?

7 A. Yes.

8 Q. Who would have that information?

9 A. It's just free-lancers. Killian's the

10 designer. Somebody draws a sketch, it's just

11 more or less an artist.

12 Q. So who would have the information as to

13 who those free-lancers are?

14 A. Well -- I don't have the information.

15 I don't know.

16 Q. So you don't know who would have that

17 information?

18 A. Killian. She's the designer.

19 Q. Who approves the designs of the jewelry

20 beads?

21 A. Killian.

22 Q. Who approves the designs of the jewelry

23 bracelets?

24 A. Killian.

25 Q. Who approves the designs of the jewelry

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2 A. It would say on the order form new
3 customer. Or if there was a mistake, there would
4 be no customer on the list.

5 Q. How do you receive invoices or customer
6 orders?

7 A. Phone, fax, e-mail.

8 Q. And from whom do you receive them?

9 A. Customers, sales reps.

10 Q. So you receive order forms from both
11 sales reps and customers directly?

12 A. Yes.

13 Q. A customer doesn't need to go through
14 his other her sales rep in order to place an
15 order with Chamilia?

16 A. If they're have an established
17 customer.

18 Q. And who are your established customers?

19 A. If they have ordered from us prior.

20 Q. And what are their names?

21 A. I have no idea.

22 Q. To your knowledge, since Chamilia's
23 inception, how many sales reps have been fired?

24 A. I'd have to go back and look. Sales
25 reps -- the company doesn't fire any sales reps.

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2 There's been two sales groups that maybe are no
3 longer with us.

4 Q. And when was that?

5 A. I don't recall.

6 Q. What was their reason for being fired?

7 A. They -- one quit because of constant
8 harassment from customers from Pandora reps
9 saying that we're going out of business. So they
10 got tired of fighting the fight of -- we're
11 working with customers, explaining to customers
12 that we wouldn't be going out of the business.

13 Q. And who was that?

14 A. That was in Minnesota was the
15 territory. I don't even remember the name. It
16 was an old rep. I believe her first name is
17 Janet. I don't know what her company was, Janet
18 Associates or something like that.

19 Q. Jen Associates?

20 A. Janet.

21 Q. Is there a document in your possession
22 that would refresh your recollection as to who
23 this individual was?

24 A. Janet is her name. I'd have to go back
25 and look -- somewhere. She received -- yes.